



STATE OF ARKANSAS  
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## MORTGAGE BANKER/MORTGAGE BROKER/MORTGAGE SERVICER

### FAIR MORTGAGE LENDING ACT

### APPLICATION FOR LICENSE

### INSTRUCTIONS FOR COMPLETING AND SUBMITTING FMLA FORMS 001 - 010 & 014

**PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY  
BEFORE SUBMITTING AN APPLICATION.**

All information must be typed or printed legibly in ink. Please provide full and complete responses to each question. If a particular question does not apply enter "None" or "N/A" (not applicable); do not leave any item blank. *Applications that are incomplete, improperly signed, or submitted without the required fees will not be processed.*

To apply for an initial license, an Applicant must submit the following to the Arkansas Securities Department ("ASD"):

- The required non-refundable application fee.
- FMLA Form 001, Application for License, completed and executed.
- FMLA Form 002, Parents, Subsidiaries and Affiliates, completed.
- FMLA Form 003, Principals, Officers, Trustees, Directors and Managers, completed.
- **FMLA Form 004, Replaced with FMLA Form 014 see below.**
- FMLA Form 005, State Licensing Information, completed.
- FMLA Form 006, Branch Offices, completed.
- **FMLA Form 006-A, Replaced with FMLA Form 014 see below.**
- FMLA Form 007, Loan Officers, completed.
- FMLA Form 008, Surety Bond, completed and executed, *or*,  
FMLA Form 009, Assignment and Escrow Agreement, completed and executed.
- FMLA Form 010, Arkansas Consent to Service of Process, completed and executed.
- **FMLA Form 014, Application for Managing Principal, Branch Manager or Loan Officer**, completed and executed.

#### **FMLA Form 001, Application for License.**

*FMLA Form 001, Application for License must be executed by the Applicant's President, Chief Executive Officer or Managing Principal.*

The initial application fee is Seven Hundred Fifty Dollars (\$750.00) plus One Hundred Dollars (\$100.00) per Branch Office doing business in Arkansas. Checks should be made payable to the "Arkansas Securities Department."

**FMLA Form 001, Application for License.** (Continued)

1. Name of Applicant.

The Applicant is the legal entity seeking a license to conduct business in Arkansas. A business formed as a “sole proprietorship” should identify a natural person as the Applicant with any assumed name(s) listed on the second line (Example: John Q. Public dba ABC Mortgage). If any Applicant other than a sole proprietorship intends to operate in Arkansas under an assumed name(s), list each name on the second line and provide ASD with a copy of the “Registered Fictitious Name” certificate issued by the Arkansas Secretary of State’s office for each assumed name (Example: ABC, Inc. dba 123 Mortgage Company).

2. Principal office address.

Each Applicant must have a principal place of business. Principal place of business means a stationary construction consisting of at least one (1) enclosed room or building in which negotiations of mortgage loan transactions of others may be conducted in private, or in which the primary business functions of the licensee are conducted. The Principal Office Address, therefore, must be a physical location. If the Applicant wishes to receive written correspondence at an address other than the Principal Office Address, provide that address as well.

3. Applicant’s business activities.

The Applicant must indicate all business activities it intends to conduct in Arkansas that require licensing under the Fair Mortgage Lending Act. The license issued by ASD will indicate those activities the licensee is permitted to conduct in Arkansas. The Applicant’s activities will also dictate the amount of surety bond coverage required (see FMLA Form 008, Surety Bond).

4. Form of organization

The Applicant must file a copy of its articles of incorporation, articles of organization, articles of partnership, or other such documents of organization filed with the appropriate regulatory authority in its State of organization, as well as copies of any documents issued by said regulatory authority granting approval of said filing. The Applicant must also file any documents issued by the Arkansas Secretary of State’s Office granting the Applicant authority to conduct business in Arkansas. If the Applicant is a partnership or limited liability company, the Applicant should also file a copy of its partnership, management or operating agreement.

5. List the Applicant’s affiliates.

See FMLA Form 002, Parents, Subsidiaries and Affiliates.

6. List of all persons having an interest in the business as principals, partners, officers, trustees, directors or managers.

See FMLA Form 003, Principals, Officers, Trustees, Directors and Managers.

7. Managing Principal.

See FMLA Form 014, Application for Managing Principal, Branch Manager or Loan Officer

8. List all states in which the Applicant is licensed to conduct business.

See FMLA Form 005, State Licensing Information.

9. List all branch offices conducting business in the State of Arkansas.

See FMLA Form 006, Branch Offices.

10. List all loan officers conducting business in the State of Arkansas.

See FMLA Form 007, Loan Officers.

11. Arkansas corporate surety bond.

See FMLA Form 008, Surety Bond and FMLA Form 009, Assignment and Escrow Agreement.

**FMLA Form 001, Application for License.** (Continued)

12. Audited financial statements.

Each Applicant must submit audited financial statements reflecting a net worth of at least Twenty Five Thousand Dollars (\$25,000.00). The financial statements should consist of, at least, (i) a Balance Sheet, (ii) an Income Statement, (iii) a Statement of Changes in Owners Equity and (iv) a Statement of Cash Flows. The financial statements must be prepared in accordance with accounting principles generally accepted in the United States and must be accompanied by an unqualified opinion. The financial statements must be as of a date not exceeding twelve months prior to the application date.

13. Arkansas "Consent to Service of Process".

See FMLA Form 010, Arkansas Consent to Service of Process.

14. Location of records pertaining to mortgage loan transactions involving Arkansas consumers.

For purposes of examinations, the Applicant must provide the physical address where records pertaining to Arkansas consumers will be maintained.

15. Applicant contact information.

The Applicant must identify the officer or employee responsible for licensing, regulatory compliance and consumer complaints. Correspondence concerning such matters can then be addressed to the appropriate person.

16. Questions.

The Arkansas Securities Commissioner is charged with the responsibility of conducting a financial and business responsibility background check to determine the general character and fitness of the Applicant and any of its partners, directors, executive officers, and/or controlling persons to engage in business as a mortgage banker, mortgage broker, or mortgage servicer. All questions must be answered. Details to affirmative ("yes") responses, other than subsection (s), must be provided. Such details would include, but not be limited to, date(s), court name, case number, party(ies) and court ruling or judgment amount. Affirmative answers may not automatically disqualify an Applicant.

Please mail the completed Application and required application fee to:

Arkansas Securities Department  
Heritage West Building, Suite 300  
201 East Markham Street  
Little Rock, AR 72201

**FMLA Form 002, Parents, Subsidiaries and Affiliates.**

The Applicant must identify each parent, subsidiary and affiliate. The Applicant must provide the name of each company and any assumed name(s), its principal business address and telephone number, its Federal Tax ID number, and a brief description of the business it conducts. Additionally, the Applicant should provide an organizational chart that shows ownership positions and percentages of ownership.

**FMLA Form 003, Principals, Officers, Trustees, Directors and Managers.**

The Applicant must list all persons having an interest in the Applicant as owner, partner, director, manager or executive officer. An additional FMLA Form 003, Principals, Officers, Trustees, Directors and Managers must be completed for each owner listed that is not a natural person. For example, if XYZ, Inc. is listed as an owner of 123 Mortgage, Inc., a FMLA Form 003, Principals, Officers, Trustees, Directors and Managers must be completed for XYZ, Inc.

**FMLA Form 004, Replaced by FMLA Form 014 see below**

**FMLA Form 005, State Licensing Information.**

The Applicant must identify the regulatory authority in each state that has specifically licensed the Applicant to conduct mortgage lending.

**FMLA Form 006, Branch Offices.**

The Applicant must list all branch offices that will be conducting business in Arkansas. Do not list the principal office on this form. Each branch office must have a designated Branch Manager. Each Branch Manager must complete and file FMLA Form 014, Application for Managing Principal, Branch Manager or Loan Officer. The Managing Principal may serve as a Branch Manager. Each Branch Manager must also be licensed as a Loan Officer. The Applicant shall not conduct business in Arkansas from an unlicensed branch.

**FMLA Form 006-A, Replaced by FMLA Form 014 see below.**

**FMLA Form 007, Loan Officers.**

The Applicant must list all loan officers licensed to conduct business in Arkansas. A loan officer shall not be employed simultaneously by more than one (1) licensed mortgage banker or mortgage broker. It is unlawful for any person to employ, to compensate, or to appoint as its agent any person to act as a loan officer unless that person is licensed as a loan officer.

**FMLA Form 008 Surety Bond.**

***FMLA Form 008 Surety Bond must be executed by the Applicant's President, Chief Executive Officer or Managing Principal.***

Each mortgage banker and mortgage servicer is required to post a surety bond in the amount of One Hundred Thousand Dollars (\$100,000.00) and each mortgage broker is required to post a surety bond in the amount of Fifty Thousand Dollars (\$50,000.00). FMLA Form 008 Surety Bond is the only form that will be accepted. The Applicant must submit the original bond executed by the Applicant and the Surety company, as well as the original Surety Power of Attorney.

**FMLA Form 009, Assignment and Escrow Agreement.**

***FMLA Form 009, Assignment and Escrow Agreement must be executed by the Applicant's President, Chief Executive Officer or Managing Principal.***

If an Applicant cannot obtain a surety bond or chooses to not obtain a surety bond, a deposit of cash or securities issued by the federal government, the State of Arkansas, or any political subdivision thereof, in the appropriate amount, accompanied by an executed FMLA Form 009, Assignment and Escrow Agreement may be accepted.

**FMLA Form 010, Arkansas Consent to Service of Process.**

***FMLA Form 010, Arkansas Consent to Service of Process must be executed by the Applicant's President, Chief Executive Officer or Managing Principal.***

**FMLA Form 014, Application for Managing Principal, Branch Manager or Loan Officer**

***FMLA Form 014, Managing Principal Personal Data must be executed by the Applicant's Managing Principal.  
Branch Manager Personal Data must be executed by each Branch Manager.***

Each mortgage broker or mortgage banker licensee must have a designated Managing Principal. "Managing Principal" means a person who meets the requirements of Ark. Code Ann. § 23-39-505 and who agrees to be primarily responsible for the operations of a licensed mortgage broker or mortgage banker. The Managing Principal must have at least three years experience in the mortgage lending business.

Each branch office must have a designated Branch Manager. Each Branch Manager must complete and file FMLA Form 014, Application for Managing Principal, Branch Manager or Loan Officer. Each Branch Manager must also be licensed as a Loan Officer.

The Arkansas Securities Commissioner is charged with the responsibility of conducting a financial and business responsibility background check to determine the general character and fitness of the Applicant and any of its partners, directors, executive officers, and/or controlling persons to engage in business as a mortgage banker, mortgage broker, or mortgage servicer. All questions must be answered. Details to affirmative ("yes") responses must be provided. Such details would include, but not be limited to, date(s), court name, case number, party(ies) and court ruling or judgment amount. Affirmative answers may not automatically disqualify an Applicant.